

STATE OF WASHINGTON



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	
	)	
ATLANTA CASUALTY COMPANY,	)	CONSENT ORDER
	)	LEVYING FINE
	)	
	)	NO. D 01- 53
	)	
An Authorized Insurer.	)	

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FINDINGS OF FACT:

1. Atlanta Casualty Company is an insurer authorized to conduct personal automobile insurance business in the State of Washington.
2. The Office of the Insurance Commissioner ("OIC") performed a Market Conduct Examination of Atlanta Casualty Company ("Atlanta") with respect to complaints filed with the OIC and claims closed for Washington insureds between January 1, 1999 and December 31, 1999.
3. On August 17, 2000, a Report ("Report") setting forth Findings, Instructions, and Recommendations with respect to the above-referenced Market Conduct Examination was adopted by the Insurance Commissioner, which found the following facts to be true during the period covered.
4. Atlanta did not provide any insureds presenting a claim under Personal Injury Protection coverage with a written explanation of the coverage provided by the policy. During the period covered by the exam, 194 Atlanta insureds presented Personal Injury Protection claims.
5. On 17 total loss automobile claims, Atlanta did not value the loss correctly because it used vehicles that were not in the local market area, or deducted sales tax and transfer fees from the settlement when the owner retained the salvage.

6. Atlanta unreasonably did not complete the investigation of nine claims within thirty days after it was notified of the claim.
7. Atlanta did not complete the investigation of eight claims in a timely manner, or failed to properly investigate the claims.
8. Seventeen of the files examined did not contain all notes and work papers pertaining to the claims in such detail that pertinent events and the dates of such events could be reconstructed.
9. As a general business practice, in its correspondence, Atlanta did not consistently identify the insuring company.

#### CONCLUSIONS OF LAW

1. Atlanta's failure to provide insureds presenting a claim under their Personal Injury Protection coverage with a written explanation of the coverage provided by the policy violated WAC 284-30-395.
2. Atlanta's failure to use vehicles from the local market area in its valuation of total loss automobile claims and its deduction of sales tax and transfer fees from its settlement of total loss automobile claims violated WAC 284-30-390(1).
3. Atlanta's unreasonable failure to complete the investigation of claims within thirty days after it was notified of the claims violated WAC 284-30-370.
4. Atlanta's failure to complete the investigation of claims in a timely manner, or to properly investigate claims violated WAC 284-30-330( 3).
5. Atlanta's failure to have all notes and work papers pertaining to claims in such detail that pertinent events and the dates of such events could be reconstructed violated WAC 284-30-340.
6. Atlanta's failure to identify the insuring company in its correspondence violated RCW 48.05.190(1).

#### CONSENT TO ORDER

Atlanta Casualty Company hereby admits to the foregoing Findings of Fact and Conclusions of Law.

The Commissioner has offered a settlement in lieu of suspending or revoking Atlanta Casualty Company's certificate of authority.

By agreement of the parties, the OIC will impose a fine of \$41,500 on Atlanta Casualty Company on condition that:

1. Atlanta Casualty Company pay the fine for its violations of Washington insurance law within thirty days of the entry of this Order.
2. Atlanta Casualty Company execute and carry out all details of the Compliance Plan as set forth in Exhibit 1.
3. Atlanta Casualty Company commit no further violations of the statutes and regulations that are the subject of this Consent Order for a period of eighteen months from the date on which this Order is entered. The OIC will not impose additional fine nor proceed against Atlanta's certificate should it commit isolated, de minimis, violations of the statutes and regulations that are the subject of this Consent Order during this period, as determined by the OIC. Atlanta commits to rectifying such violations promptly once they are discovered.

EXECUTED and AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

ATLANTA CASUALTY COMPANY

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
SIGNED

#### ORDER

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine \$41,500 upon Atlanta Casualty Company. The fine must be paid in full within thirty days of the date of entry of this order. Failure to pay the fine and to comply with the stated Conditions shall constitute grounds for recovery of the fine and for revocation of Atlanta Casualty Company's certificate of authority in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON, this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

Mike Kreidler  
Insurance Commissioner

By: \_\_\_\_\_

Carol Sureau  
Enforcement Attorney  
Legal Affairs